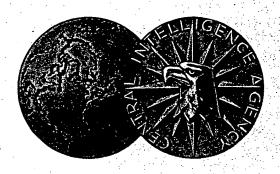
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WEEKLY SUMMARY



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CENTRAL INTELLIGENCE AGENCY

43

SECRET



UNITED NATIONS

Soviet representative Vishinsky's moderate veto statement, made during the voting on the Security Council compromise proposal, suggests that the USSR may be interested in an eventual face-saving solution of the Berlin dispute. Vishinsky barely referred to the contention of the USSR that the UN has no jurisdiction over the Berlin controversy. The Soviet representative defended the veto largely on the grounds that the proposed ending of the blockade and the introduction of the Soviet currency in Berlin were not to be simultaneous. This implicit willingness to accept the UN as a forum for negotiation on Berlin indicates that there is still some possibility that the USSR is interested in finding a compromise solution to the dispute.

The Soviet Union may now be inclined toward conciliation because it recognizes that the Berlin blockade has failed to dissuade the western powers from proceeding with a separate organization for western Germany or to force them out of Berlin. The USSR may even recognize that the present success of the airlift, combined with the firm stand of the western powers, has: (1) raised western prestige in Germany and increased German hostility to the Soviet Union; (2) spurred western plans for rearmament and military coalition; and (3) precipitated the local problem of Berlin into a crisis of world scope, far exceeding Soviet calculations. While awaiting further developments in the UN, the USSR will also look for positive evidence that the airlift can, or cannot, overcome the Berlin winter.



WESTERN EUROPE

GERMANY

Soviet action in eastern Germany during the past three months indicates that the Kremlin is accelerating preparations which would permit the establishment of an eastern German government capable of assuring Soviet domination with or without the support of Soviet occupation troops. The Communist-dominated Socialist Unity Party (SED) is undergoing a purge which will ultimately replace all members of non-Communist parties and unreliable Communists now holding key positions in the SED with reliable Stalinist Communists. The cadre thus formed will become the instrument for tightening Communist control of the SED, the Volkskongress, and other Communist front organizations. In conjunction with Soviet domination of the German Economic Commission and the Administration of the Interior, the SED will contribute materially to Soviet control of eastern Germany through a Communist minority. Moreover, a disciplined SED will facilitate Soviet-Communist control of the Soviet sector of Berlin following the anticipated split in the Berlin city government after the 5 December western sector elections. In addition, eventual Soviet domination of eastern Germany is being facilitated by efforts to strengthen and reorganize the Administration of the Interior. The Administration, through the SED party structure, is now in practically full control of the zonal government down to a county level; the framework of the Administration thus is strikingly similar to the centralized police system of the Nazi regime. The Administration can now exercise most of the powers of a Ministry of the Interior in a totalitarian state, including control of public prosecutors through the criminal police. Approximately 15,000 specially trained and selected police. under the control of the Administration and guartered in barracks throughout the Soviet Zone, are being equipped



GERMANY

with carbines and machine guns, and they may eventually be equipped with heavier weapons. In the hope of appealing to German nationalism, this new police force may be headed by Germans formerly identified with the Free German Committee.

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KOREA

An armed invasion of South Korea by the North Korean Peoples' Army is not likely until US troops have been withdrawn from the area or before the Communists

- 14 -

SECRET

KOREA

have attempted to "unify" Korea by some sort of coup. Eventual armed conflict between the North and South Korean governments appears probable, however, in the light of such recent events as Soviet withdrawal from North Korea, intensified improvement of North Korean roads leading south, Peoples' Army troop movements to areas nearer the 38th parallel and from Manchuria to North Korea, and combined maneuvers. Communist agents have been directed to intensify disturbances in South Korea in November, ostensibly to facilitate an invasion early in 1949. Although this invasion may not materialize, such disorders as the recent Yosu uprising (in which a Communist-led constabulary unit attacked town police and constabulary officers) would bolster a Soviet claim before the UN that the South Korean regime is unpopular and supported only by the police and the US Army. Proven Communist complicity in such incidents may react against the USSR in the UN, but Communist efforts to initiate riots and strikes will continue in order to pave the way for North Korean control of the entire peninsula following the withdrawal of US forces.